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May-June 1958

SB-10

SUPPORT BULLETIN

FOR INFORMATION OF HEADQUARTERS
AND FIELD PERSONNEL

This document is to be used as an interpretive
guide only. It is not to be used as a basis for
action or as a basis for automatic review.

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PURPOSE

The Support Bulletin, published periodically, is designed to keep headquarters and field personnel informed on administrative, personnel, and support matters. The Support Bulletin is not directive in nature but rather attempts to present items which, in general, are of interest to all personnel and, in particular, of interest to those employees occupying various support positions. Suggestions and constructive criticism from both headquarters and field personnel are encouraged.

NOTE: — This bulletin is *for information only*. It does not constitute authority for action and is in no way a substitute for regulatory material.

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PAY RAISE

The Federal pay bill has now become law, and our employees are to receive a well-deserved pay raise, retroactive to January 12, 1958. Every effort is being made to resolve the problems inherent in processing the new pay scales, and specific information will be published as soon as possible. It is hoped that the increases will be reflected in salary checks by mid-July; the retroactive portion will be paid separately, and the target date here is also the middle of next month.

The old and new rates are shown below for purposes of comparison.

Grade	Per Annum Rates							
GS- 1:								
Old	2,690	2,775	2,860	2,945	3,030	3,115	3,200	
New	2,960	3,055	3,150	3,245	3,340	3,435	3,530	
GS- 2:								
Old	2,980	3,045	3,130	3,215	3,300	3,385	3,470	
New	3,255	3,350	3,445	3,540	3,635	3,730	3,825	
GS- 3:								
Old	3,175	3,260	3,345	3,430	3,515	3,600	3,685	
New	3,495	3,590	3,685	3,780	3,875	3,970	4,065	
GS- 4:								
Old	3,415	3,500	3,585	3,670	3,755	3,840	3,925	
New	3,755	3,850	3,945	4,040	4,135	4,230	4,325	
GS- 5:								
Old	3,670	3,805	3,940	4,075	4,210	4,345	4,480	
New	4,040	4,190	4,340	4,490	4,640	4,790	4,940	
GS- 6:								
Old	4,080	4,215	4,350	4,485	4,620	4,755	4,890	
New	4,490	4,640	4,790	4,940	5,090	5,240	5,390	
GS- 7:								
Old	4,525	4,660	4,795	4,930	5,065	5,200	5,335	
New	4,980	5,130	5,280	5,430	5,580	5,730	5,880	
GS- 8:								
Old	4,970	5,105	5,240	5,375	5,510	5,645	5,780	
New	5,470	5,620	5,770	5,920	6,070	6,220	6,370	
GS- 9:								
Old	5,440	5,575	5,710	5,845	5,980	6,115	6,250	
New	5,985	6,135	6,285	6,435	6,585	6,735	6,885	
GS-10:								
Old	5,915	6,050	6,185	6,320	6,455	6,590	6,725	
New	6,505	6,655	6,805	6,955	7,105	7,255	7,405	
GS-11:								
Old	6,390	6,605	6,820	7,035	7,250	7,465	7,680	
New	7,030	7,270	7,510	7,750	7,990	8,230	8,470	
GS-12:								
Old	7,570	7,785	8,000	8,215	8,430	8,645	8,860	
New	8,330	8,570	8,810	9,050	9,290	9,530	9,770	
GS-13:								
Old	8,990	9,205	9,420	9,635	9,850	10,065	10,280	
New	9,890	10,130	10,370	10,610	10,850	11,090	11,330	
GS-14:								
Old	10,320	10,535	10,750	10,965	11,180	11,395	11,610	
New	11,355	11,595	11,835	12,075	12,315	12,555	12,795	
GS-15:								
Old	11,610	11,880	12,150	12,420	12,690	12,960	13,230	
New	12,770	13,070	13,370	13,670	13,970	14,270	14,570	
GS-16:								
Old	12,900	13,115	13,330	13,545	13,760	13,975	14,190	
New	14,190	14,430	14,670	14,910	15,150	15,390	15,630	
GS-17:								
Old	13,975	14,190	14,405	14,620	14,835	15,050	15,265	
New	15,375	15,615	15,855	16,095	16,335	16,575	16,815	
GS-18:								
Old	16,000	16,215	16,430	16,645	16,860	17,075	17,290	
New	17,500	17,740	17,980	18,220	18,460	18,700	18,940	

The eligibility of contract personnel for the pay increases provided in the new law is out-

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CHANGES IN GEHA EMERGENCY TRAVEL PLAN

Since 1 April 1957, Government Employees Health Association, Inc. (GEHA) has offered an "Emergency Travel Plan," under which round-trip transportation costs are paid for employees when travel is necessitated by the death or very serious illness of relatives or other named persons.

GEHA has announced that, effective 1 July 1958, there will be a 43 percent increase in rates and a decrease in coverage under this plan. The following new rates, in dollars, will apply:

Age of Named Persons	1st Named Person		Each Additional Named Person	
	Old	New	Old	New
0 through 49	28.00	40.00	12.00	17.00
50 through 64	35.50	50.00	19.50	28.00
65 through 69	43.00	60.00	27.00	39.00

Family Plan

<u>Old Rate</u>	<u>New Rate</u>
50.00	72.00

The coverage under the plan is decreased by a 25 percent coinsurance clause. Amendment No. 2, dated 1 April 1957, to the GEHA booklet, "Your Health and Life Insurance Program," should be changed by revising the second sentence of paragraph one, titled "Explanation of Coverage," to read as follows:

"The Company will pay 75 percent of the actual transportation cost of the purchaser or designated person"

The above changes will not affect contracts now in effect, or those being renewed, or new applications received before 1 July 1958. We regret that we cannot extend the time allowed for applications under the earlier rates and coverage, but the underwriter will allow no exceptions.

Despite the higher rates and decreased coverage, certification will still be required from the employee that the person or persons named in the contract have never had cancer and have not had a heart attack or other serious illness in the four months preceding the date of application.

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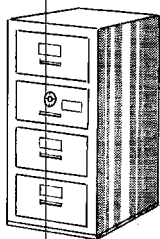
MANAGEMENT TOOLS

RECORDS MANAGEMENT AND OUR SPACE PROBLEM

Support Bulletin 8 for January-February 1958 offered several suggestions for relieving today's space problems through better use of filing equipment and supplies. Here are some additional tips.

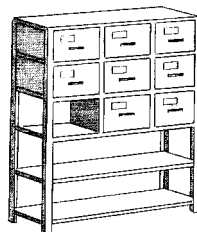
Do you periodically transfer noncurrent records — in the field, to inactive storage in vaults or secured areas — and in headquarters, to the Records Center? It will pay you to do so, for *bulk storage* of essential but seldom used records reduces equipment, space, and clerical costs. These benefits are measurable, tangible dollar savings to the Organization. For instance, in headquarters, Records Center storage has saved over 1¼ million dollars in space and equipment costs and an estimated 1½ million dollars in salaries.

EQUIPMENT AND SPACE COSTS TO STORE 4 DRAWERS (8 CU. FT.) OF RECORDS FOR FIVE YEARS



SAFE CABINET
578 dollars

RECORDS CENTER
10 dollars and
40 cents

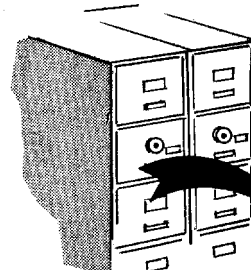


Your records at the center will be available to you at any time. The return of a record to you within 24 hours after requesting it is routine. In an emergency you can get a file within two hours.

Before filing record material, do you pull off and destroy nonessential papers such as routing slips, transmittal memos, courtesy copies, and copies of superseded drafts?

Do you periodically cut off your files, say, at the end of a calendar or fiscal year? You should; otherwise they'll keep growing year after year, making reference to your *current* files much more difficult and increasing the volume of noncurrent material that should be transferred to bulk storage or destroyed.

Do you periodically review your files for "dead wood" such as . . .



- Obsolete or superseded reference material and working papers . . .
- Old chrono files . . .
- Files on discontinued functions . . .
- Totally inactive records authorized for destruction?



Look up your Records Control Schedule. It's your "housecleaning" authorization. If you lack an approved schedule, see your Records Officer or Chief of Registry.

In looking for ways to gain more space don't overlook those file drawers used for miscellaneous material. Those catchalls can be great space wasters.

For instance, some people may still store their work papers overnight in regular desk trays. If so, they're using about five times as much room as they should.

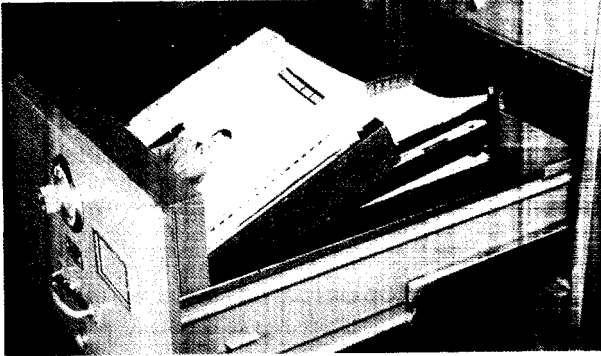
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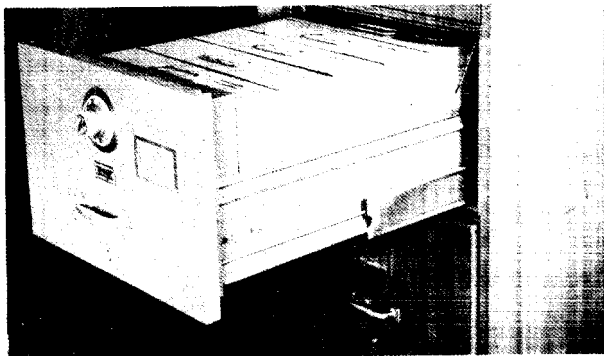
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The photographs below show how much space can be gained when Organization overnight storage boxes are used instead of regular trays.

NOT THIS. . .



BUT THIS. . .



These storage boxes also prevent contents from spilling and papers from getting lost behind file drawers.

Books, periodicals, blank forms, office supplies, and other miscellany also rob you of valuable file space. Here are some tips to help prevent this:

Centralize reference books and publications within components. If they are unclassified, store them on book shelves.

Return books, periodicals, and other documents when they have served their purposes.

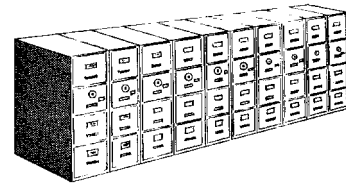
Depend more on Organization reference services instead of building up personal libraries that may never be used.

Consolidate office supplies.

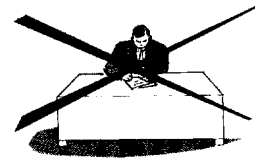
Store personal belongings and nonofficial materials in desks or supply cabinets.

KEEP IN MIND THAT FOR EVERY TEN SAFE CABINETS IN USE YOU LOSE THE AVERAGE SPACE FOR ONE EMPLOYEE.

THIS . . .



COULD MEAN THIS . . .



SUPERVISORS' SELF-HELP PROGRAM

A leading management association recently stressed a point that is of interest to every supervisor in this Organization.

Their position was that top management and first-line supervisors must recognize, for their own benefit, that an organization's suggestion awards program is a management tool and is never to be considered an employee fringe benefit. A good suggestion program is good business and indicates good management. It cuts costs and improves production. No organization gives an award—the suggester earns it for good, useable ideas.

The mutual benefits realized from suggestions favor the organization rather than the employees. Supervisors particularly benefit by improvement suggestions and they help themselves when they promote the program among their employees.

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SUGGESTION AWARDS PROGRAM

Another thirteen Organization employees are sharing 1,165 dollars in Suggestion Awards because they figured out ways to improve our operations and facilities. Four of these suggestions are outstanding achievements.

Another first-quality suggestion was a device for modifying microfilm cameras to permit the automatic cutting of Xerox prints. This fine piece of thinking and excellent presentation of the solution to the problem, including a drawing, helped evaluators and sped construction of a test model. A tangible saving of 2,500 dollars is estimated for the first year this device is used, plus other intangible benefits. The suggester was awarded 100 dollars and his suggestion was referred to the Government Printing Office and other interested Government agencies for possible adoption, which should earn an additional award.

A second successful suggestion, which had been carefully thought through, included two proposals involving the reorganization of an office into geographical areas and the revamping of corresponding processing procedures. The plan was adopted and the benefits included: increased development of proficiency in area knowledge and language; improved career development and rotation for specialists; and efficiency of operations. Both workers and customers have shared in the intangible benefits derived and, as a result, this suggester was awarded 100 dollars.

In the Medical Staff, a proposal for a new indexing procedure for X-ray films was tied in with an addressograph plate operation being installed by that staff. This timely proposal was incorporated with the staff's original plan. The 1,775 dollars saved in man-hours and 385 dollars saved in supplies earned the suggester an 80-dollar award.

A man in a field station faced a bad situation one day. His Manual of Instructions explained how two men should handle some delicate equipment to hermetically seal it in a container. Since he was alone, he improvised and got the job done by himself. He thought

further on the problem and devised a new gadget with universally available materials and proposed to headquarters that the Manual be revised and that the new one-man method be adopted. His method delivered more satisfactory package than the first and also saved the time of one man. For a tangible saving of 400 dollars and moderate intangible benefits, the suggester was awarded 75 dollars.

Smaller awards were given for other suggestions that were of sufficient benefit to the Organization to deserve recognition.

One suggester proposed that analysts preparing new index cards on routine material include a small flag to indicate that the new material adds nothing to existing information — thereby saving a researcher's efforts in requesting and reading nonproductive items.

Another suggester proposed microfilming a main index file. The problem was presented so clearly and concisely that the evaluators were made aware of a little-suspected situation. Although the suggester's proposal was not adopted as recommended, it triggered so extensive a reform in procedures that the Committee voted him an award.

Another suggester simply proposed that the originator of certain cables should number them and make indexing recommendations because of his intimate familiarity with the cable content. While this does not apply throughout the Organization, it was a beneficial suggestion in a limited area, and won the suggester an award.

A device to support one leg of a microfilm camera tripod to allow filming of Kardex trays brought one suggester an award; while an improved catch on a camera copy board, which permitted the clamp to slide shut, brought another.

Letters of Appreciation went to each of three suggesters for: (1) a preprinted list of unusual words commonly used in the Graphics Office, which speeded up graphics art work; (2) clipping for retention files unmarked periodicals rather than those contain-

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ing analysts' marks and notes; and (3) a safety proposal for bright yellow paint and red reflectors on dark-colored pipes in the middle of a parking lot.

These suggestions are reviewed here with the hope that they or adaptations of them may be usable in readers' offices. If this proves true, please inform the Executive Secretary of the Suggestion Awards Committee, because the additional use may entitle the original suggester to an additional award.

DIAMOND ANNIVERSARY OF THE CIVIL SERVICE ACT

This year is the 75th anniversary of the Civil Service Act. The President has issued a proclamation declaring that "the anniver-

sary is an appropriate time to salute the civil service and to increase public knowledge and understanding of its importance in our system of self-government." Both the Senate and House of Representatives have passed resolutions citing the need of public understanding of the responsibilities of the Government and of the career service and reaffirming congressional support of the merit-system principle.

The Civil Service Commission has held a special awards ceremony commemorating this diamond anniversary and other ceremonies will be held throughout the country during the year.

The Director has commented to the Chairman of the Civil Service Commission that he is most conscious of the solid foundation in law upon which our civil service is based and of the leadership of the Civil Service Commission in the development of Federal employment policies.

NINE YEARS OF THE SUGGESTION AWARDS PROGRAM

This chart shows money spent for suggestions and money saved by these suggestions. Awards were granted in accordance with the Civil Service Commission's awards scales.

<u>FISCAL YEAR</u>	<u>SUGGESTIONS RECEIVED</u>	<u>SUGGESTIONS ADOPTED</u>	<u>AWARDS TO EMPLOYEES (Dollars)</u>	<u>SAVINGS REALIZED IN FIRST YEAR (Dollars)</u>
1949 thru 1952	89	16	408	12,555
1953	299	14	985	40,086
1954	762	46	2,050	78,461
1955	863	69	3,080	77,981
1956	541	116	4,125	74,708
1957	640	98	5,010	55,537
1st Half 1958	271	53	12,110	166,567
	3,465	412	27,768	505,894
		Net Gain for the Organization		478,126
		Net Gain for 412 Employees		27,768

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SECRETARIAL CAREER

A well-known woman who is president of an international association of secretaries has described the opportunities in a secretarial career. She says:

"Only a little more than fifty years ago, the young women who mastered a machine just coming into wide use and who ventured into the then almost entirely male world of business were known as 'typewriters.' Perhaps that is why many people still have the impression that a secretary's main task is a machinelike turning out of perfect letters from nine to five; and why so many others use the title 'secretary' to mean anyone employed in any stenographic or clerical position in an office.

"True, typing and shorthand are two of the basic skills of the secretary, but her duties cover a much wider field than the work of such valuable specialists as the typist, stenographer, file clerk and receptionist. The secretary, as we use the title today, often fills all of those positions. In addition, she is an assistant who knows many of the confidential matters of her office and of her employer's business dealings. She uses this knowledge to protect him from unnecessary interruptions, delays, and confusions, and to clear decks for him in a score of other ways.

"She knows which calls to route to him immediately, which to delay until she can supply him with needed reference material from her files, which she can best deal with herself.

"She sits in on conferences when a trusted witness is needed. Her manner over the telephone and to visitors sets the mood of his office. She is his daytime hostess rather than a receptionist.

"One secretary may handle a great volume of letters. Another does very little typing. Under any circumstances, there is little that is machinelike about their work. No machine has the tact to soothe the ruffled feelings of an important caller who must cool his heels while an equally important one overstates his time. No machine

has the judgment about what information may be released in a boss's absence, which requests must be smoothly sidetracked. No machine can act as a boss's memory by combined use of intelligence, filed material and a carefully kept appointment book.

"A secretary's career can have enormous personal rewards. Her working hours and conditions are normally pleasant. In a big office, she has opportunity to meet many new friends. Her work puts her in touch with men and women of achievement in many fields. And no field of special interest is closed to the young woman who chooses secretaryship as a career. Every young person does not have the temperament, talent, time or money to prepare for a career in one of the arts or professions, but the door to all such areas is still wide open to the secretary.

"In many professions, women are in constant competition against men. The secretary works with men. A secretarial career is one of the few where being a woman is of greatest advantage, rather than being a subtle handicap in reaching the top. Employers value the feminine qualities of tact, intuition, imagination and manner that women bring to an office. They also know that the ambitious girl is apt to bend all efforts to reach the top as an executive secretary, while an ambitious young man is apt to have his eye on a transfer to management; though some girls use their secretarial jobs as springboards to other careers. Many secretaries become editors, account executives, heads of purchasing departments, branch managers, and the like.

"Perhaps a prime requisite for success in secretarial work is approaching secretaryship as a chosen career. The girl who does so will gain experience in her working years that will serve her well, no matter what life brings, because she will have learned the secret of greatest happiness in all human relations: the more imaginatively, loyally and consistently she works for and with another person for his success, the more she benefits herself.

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FOREIGN LANGUAGE TESTS

For almost five months the Organization has been conducting foreign language proficiency tests in connection with the Language Development Program. These tests, scheduled one year after the inauguration of the program, have been taken by hundreds of employees. Some are eligible for Maintenance Awards and some for Achievement Awards; others have taken tests merely to establish levels of skill. All scores will be recorded in the Organization's Language Qualifications Register.

Employees whose skills were originally evaluated at intermediate or high (indicated on Form No. 444c, Language Data Record) and who meet the criteria of eligibility, will be granted a Maintenance Award as of the anniversary of their completing their evaluation. Those who evidence an increase in knowledge of a language over that of the original self-evaluation or that of a previous test, and who are otherwise eligible, will be given an Achievement Award. The date of attainment of this higher level will become the new date for determining eligibility for a Maintenance Award, and the individual must preserve this new level for a year in order to qualify for that kind of an award. However, this does not preclude being tested in the interim to determine any further progress.

Testing in the field is not imminent. Consequently, it will be necessary for field personnel to be tested upon their return to headquarters. This will not be a disadvantage since awards will be administered retroactively. Their Maintenance Awards will be based on the date of the completion of the Language Data Record, and Achievement Awards will be based on the registration of applicants at headquarters by Chiefs of Station or Base. Staff personnel who return to headquarters on a temporary detail are asked to consider taking tests and to consult the Training Officer, who will make their arrangements. The Office of Training will make every effort to complete the testing at the time of this duty.

A schedule of tests has been published to cover the last half of this year.

Some of the candidates who have taken the tests since the beginning of February were those who took advantage of the Organization's voluntary, or off-hours, language study program. Others were able to maintain or achieve their skills through independent study. At the time of the test each completed a certification attesting to the way he kept or improved his language capability. By regulation, the awards for off-duty efforts are twice the amount of those granted for directed study which is done principally during regular hours of work.

In the main, written tests are objective and consist of seven parts. However, translation tests are given in Albanian, Amharic, Icelandic, Pashto, Swahili, and Tibetan. In these, candidates are permitted to use dictionaries. Of the thirty-nine languages for which awards may be given, tests have been taken in thirty-five; no one registered for Hindi, Korean, Cambodian, and Nepali.

On the day of the written tests, any employee who wants to take an oral test indicates his interest. Oral tests are given by panels of linguists and require about fifteen or twenty minutes for each person. The oral test is not mandatory, but candidates are encouraged to take it in order to establish a comprehensive level of language capability.

Written tests are corrected mechanically, and after this scoring is recorded and the panelists have submitted their evaluations, all information is forwarded to the Registrar in the Office of Training, where final determination of awards is made. Here all criteria of eligibility are reviewed, and if the candidate is eligible for an award, the Registrar certifies to this fact and authorizes payment by the Comptroller. A copy of the certification of award is forwarded for recording in the current Language Qualifications Register; another is directed to the Training Officer of the individual's office who is responsible for notifying candidates of results. A permanent record for each person who is tested is maintained in the Registrar's Office.

THE TABLE BELOW SUMMARIZES THE GROWTH OF

	1947	1948	1949	1950	1951
Loans Made Since C. U. Organized Number	29	489	1,186	2,442	4,921
Amount (dollars)	1,720.00	59,397.28	195,576.29	572,575.27	1,290,111.11
Loans Made by Year Number	29	460	697	1,256	2,481
Amount (dollars)	1,720.00	57,677.28	136,179.01	376,998.98	717,111.11
Loan Balance End of Period (dollars)	1,711.25	29,735.61	73,090.74	225,101.61	437,111.11
Share Balance End of Period (dollars)	2,737.72	28,221.68	74,306.03	253,488.64	601,111.11
Total Assets End of Period (dollars)	2,762.17	31,502.95	79,675.07	269,641.22	637,111.11
Rate of Dividend Paid	NONE	6%	6%	6%	4%
Gross Income (dollars)	.45	1,326.09	5,054.57	13,405.71	28,911.11
Net Income (dollars)	(7.55)	1,135.32	4,726.10	12,941.59	28,111.11

THE CREDIT UNION OVER THE PAST TEN YEARS

51	1952	1953	1954	1955	1956	1957
5	8,647	12,326	16,560	21,535	27,168	33,657
133.06	2,848,629.97	4,549,981.33	6,600,224.78	9,191,382.55	12,233,383.37	16,086,372.68
3	3,722	3,818	4,234	4,786	5,617	6,489
557.79	1,558,496.91	1,651,536.02	2,050,243.45	2,525,082.67	3,123,486.76	3,852,989.31
944.63	835,621.35	1,064,654.18	1,390,886.45	1,758,648.60	2,249,848.99	2,823,864.70
137.35	1,133,192.85	1,829,408.04	2,459,436.93	2,858,225.89	3,604,906.18	4,217,360.41
339.00	1,203,027.24	1,922,834.23	2,585,829.94	3,191,933.04	3,818,722.10	4,514,816.42
1	4.8%	4.8%	4%	4.4%	4%	4.5%
43.61	66,042.04	95,150.32	130,005.42	172,238.74	209,405.11	265,477.51
73.60	46,442.23	63,648.68	92,326.04	121,945.79	147,604.23	197,699.32

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INCOME REPLACEMENT—BASIC INSURANCE COVERAGE

According to the president of one of the largest mutual health and accident associations, an income replacement plan is our number-one need for a well-balanced insurance program. This insurance official says:

"Insurance authorities tell us that in the scale of insurance, our number one concern should be permanent disability coverage, and then death, auto liability, and personal liability in that order. Obviously, without such disability insurance, a policyholder may not be able to pay premiums on any other type of insurance when illness or injury strike."

Similar reasoning is also used by the head of one of the largest multiple-line agencies, who points out that income replacement is a basic requirement for each individual or family group and that once this need is fulfilled, other coverage such as family and keyman hospitalization, catastrophe, medical, etc. should be considered.

The recently revised GEHA "30-Day Income Replacement Plan" fulfills the need for continuity of income by providing for weekly payments beginning with the 31st day of disability. Payment for total disability may continue for as long as 10 years if the disability resulted from illness, and for life if the disability resulted from accident. For partial disability resulting from accidents, one-half the weekly benefits for total disability is paid.

For employees who have large amounts of sick or annual leave, this plan provides an additional weekly salary when periods of disability last beyond 30 days, because disability payments can be received in addition to regular salary.

A most desirable but less known protective area provided in this plan is the reimbursement of medical expenses resulting from injuries not causing loss of time. Without the 30-day qualification applying to all other

phases of this plan, expenses actually incurred by the insured member for treatment of injuries by a legally qualified physician will be paid. This payment will not exceed the amount of one weekly payment for any one accident.

If you are a preferred risk (excellent health), have not yet reached your sixty-eighth birthday, and can satisfactorily answer questions concerning your health, you may apply now, with immediate coverage at the following rates:

	Weekly Payment (Dollars)	Annual Premium (Dollars)	Semi-Annual Premium (Dollars)
Plan 1	25.00	30.20	—
Plan 2	50.00	60.40	30.20
Plan 3	75.00	90.60	45.30
Plan 4	100.00	120.80	60.40

The recent revision of this contract is another of the many ways in which GEHA is continually striving to improve your overall insurance coverage.

COMPTROLLER COST PROGRAM

(This is the first of a series of articles on cost.)

For several years the Office of the Comptroller has been developing a financial program that would enable Organization officials to make better evaluations of operations in relation to the cost of those operations. Added impetus was given this program by the passage of the law establishing the requirement for the use of cost information as a basic principle for Government budgeting and accounting. The intent of this law is that management use financial data for the improvement of operations.

The Organization is committed to submit by fiscal year 1962 a budget based on cost data as prescribed by the law. In order to reach this goal, it is necessary to develop complete

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cost accounting and reporting as a part of the Organization accounting system and, most important, to assist operating personnel in understanding the value and use of cost information. The achievement of this goal calls for an ambitious program covering a three-year period.

The Comptroller has divided this program as follows:

1. Fiscal year 1958 has been the year of study and research. During this past year, systems in other Government facilities have been studied, problems explored, and a set of cost principles and policies developed.

2. Before we can hope to have a successful program, it will be necessary to conduct several experiments in costing. Some of these experiments are already under way but most of them will be made in fiscal year 1959, called the year of experimentation. During the coming year, selected service and supply activities will be subjected to test approaches in order to develop the most economical and effective method of collecting and charging cost data. Printing services illustrate the kind of support activity that is being experimented with. On the other side of the cost picture is the consumer, commonly called operating offices. Again, selected operating offices will work with Comptroller personnel on experiments, both at headquarters and at field stations, designed to help establish effective levels of costing (the location in the organizational structure at which costs will be accumulated for management purposes) and the type of reporting system that will be timely and meaningful.

3. Based on the results of the experiments in fiscal year 1959, a cost system will be placed in operation for fiscal year 1960.

This three-year program forms the foundation of the plans to submit a cost budget for fiscal year 1962.

As mentioned earlier, it is believed that the understanding and use of cost information is

the most important part of the program. In meeting this objective, the Comptroller started courses in budgeting and cost accounting last fall and repeated them again this spring. These courses will be given periodically and redesigned to fit different needs until all personnel requiring such information have been given the opportunity to acquire a background of acquaintance with cost.

In addition to instruction courses, the Comptroller holds conferences on financial subjects including cost. The recent conference, held 5 and 6 May, was devoted exclusively to cost. At this conference, 65 persons having immediate responsibility for the development of cost programs in all offices, staffs, and divisions of the Organization discussed the overall cost program including its objectives, concepts, principles, and policies. Another conference will be devoted to cost next spring, at which time the results of the fiscal year 1959 experiments will be reviewed and the Organizationwide cost program for fiscal year 1960 discussed.

EMPLOYEES COMMENDED FOR BLOOD DONATIONS

We have recently received a commendatory letter from the Red Cross recognizing the generous response of Organization employees to the Red Cross Blood Program.

During 1957, our employees contributed 1,836 pints of blood as compared with 1,574 pints in 1956. In January of this year, when the local blood bank was critically low, our employees donated 196 pints, the most we have ever contributed during any month.

It must be gratifying to each person who has given his blood to realize the benefit he has brought to others. Each of you who has donated blood and who has recruited the donors is encouraged to continue active participation in this humanitarian program.

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CAREER PLAN FOR EXECUTIVES

The President issued an Executive order recently establishing a program to improve "selection, development and use" of top-ranking civilian career employees of the Government.

He appointed a five-man bipartisan Career Executive Board to advise the Civil Service Commission in developing and applying policies under which the new program will operate.

It was announced that the new program is designed to:

1. Assure that career executives are people of the highest quality.
2. Make the most effective use of career executives.
3. Assure the retention in Government of able executives and secure for them a rewarding career.
4. Provide prestige through greater recognition of the importance of Government career executives.

The program applies to qualified personnel in civil service grades 16, 17, and 18 outside of schedule C political appointees. In those grades, starting salaries range from 12,900 to 16,000 dollars.

To become a "career executive," a Government employee in such a job must be recommended by the head of his agency, approved by the Career Executive Board, and designated by the President.

BOARD FUNCTIONS

Under the President's order, the board will perform the following functions:

1. Receive nominations from Federal agencies for employees to be designated career executives, and pass on them for recommendation to the President for such designation.
2. Maintain experience records of designated career executives and develop a spe-

cial roster of eligibles for use by agencies in filling suitable vacancies.

3. Develop methods for regular appraisal of executives.
4. Assist the Civil Service Commission and agencies in developing effective training programs for career executives.
5. Recommend any changes required in job classification practices so as to permit greater flexibility in assignment of career executives.
6. Recommend to the Civil Service Commission and the President appropriate steps to strengthen the program.

EVALUATION OF TRIAL PERIOD EMPLOYEES

There are many considerations which must be weighed by the supervisor when he evaluates a new employee before the conclusion of the trial period. A valid decision at this point is crucial: it enables the successful employee to continue his career with the assurance to himself and the Organization that he has made a good start; it alerts the individual and the Organization to unsuccessful service before too great an investment of time and training has been made.

The following remarks, abstracted from a recent article in a leading personnel journal, may be useful to supervisory officials in their consideration of actions to be recommended in such cases.

"With the present labor shortage, the tendency is to transfer the probationary employee who fails to meet the standard of the job. The marginal employee's future, particularly in large companies, seems to be assured unless he violates standing company policies or procedures or quits of his own accord. The arguments for retaining a marginal employee do not measure up to reality:

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(1) We might do worse. . . . The chances are the next person hired will prove satisfactory. (2) Has the employee had sufficient chance to adjust? . . . Usually the individual slow to adjust on one job will be slow to adjust to most situations. Other employees should not be required to absorb a share of the marginal employee's work. (3) Where else could we move him? . . . Flexibility of movement should be reserved for permanent employees and should not be expended on marginal employees. (4) It costs money to hire and train people. . . . The long-run costs of keeping a marginal employee on the rolls exceed the cost of hiring and training a satisfactory replacement. (5) Firing is bad for morale. . . . It is also bad for morale to have inefficient people working in the group. (6) Firing is a reflection on management. . . . No Organization is infallible; corrective action should be taken while it is still possible.

"These reasons for leaving well enough alone are simply evasions of the trials and tribulations of being a manager. Firing should not be the invariable remedy since many initial placements have to reconcile such diverse factors as the available labor supply, the ability of the candidate, and the vacancies existing in the company at the time. Adjustment or transfer may be justified. However, marginal or downright unsatisfactory employees are all too often retained for no valid reason. More rigorous evaluation of new employees, coupled with clear provisions for dismissal, are needed."

MEDICAL PROGRAM FOR DEPENDENTS

The Medical Staff is pleased to announce that another support function, beneficial to the entire Organization, has been formalized and is now in operation. In the early part of April, 1958, a new regulation was issued which authorized the Medical Staff to give physical examinations to dependents at the time an

employee is scheduled for permanent change of station overseas. Previous careful planning made it possible for the program to start as soon as the regulation was issued. The first physical examination of a dependent under the new authorization was completed on May 1, 1958.

The Dependents Program is devised to handle two specific categories of physical examinations for dependents:

1. The elective category, in which dependents will be examined at their request.
2. The selective category, in which physical examinations of dependents are required either because of the peculiar health hazards of the area in which the dependents will be living, or because the medical history of the dependent indicates that the interests of both the individual and the Organization will be best served by a more extensive examination.

In both of these categories, it will be necessary for each dependent to submit a Report of Medical History (Standard Form 89), which is a statement of the dependent's past illnesses, surgical operations, bone fractures, idiosyncrasies, or other information pertinent to health. A review of this statement by the Medical Staff will then determine the extent and completeness of the physical examination.

The program also provides counseling services. When these services are requested, counsel is given on family physical and mental health, and recommendations for corrective measures are made by the staff. In addition, counseling is provided on those medical problems or health hazards which may be encountered at the area of overseas assignment.

Since the Dependents Program is in its initial phase, the Medical Staff will only be able to provide physical examinations to those dependents going to an overseas area. Should the requirement indicate and the circumstances permit, it is possible that sometime in the future this service may be extended to include examinations of dependents returning from an assignment abroad.

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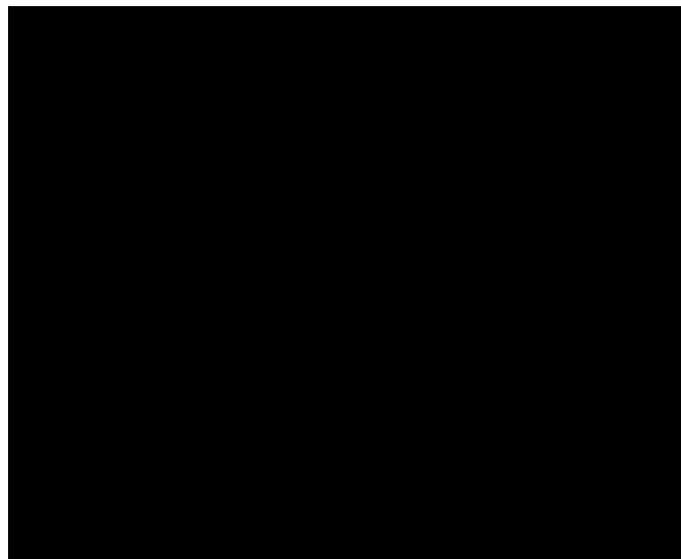
CREDIT UNION LIMITS SHARE HOLDINGS

The Board of Directors of the Credit Union at a regular monthly meeting on 18 March 1958 passed a resolution setting a *limit* on total share holdings of members.

The established maximum is 5,000 dollars per family. All accounts that are now 5,000 dollars or above will be frozen at the balance they hold at close of business on 1 July 1958.

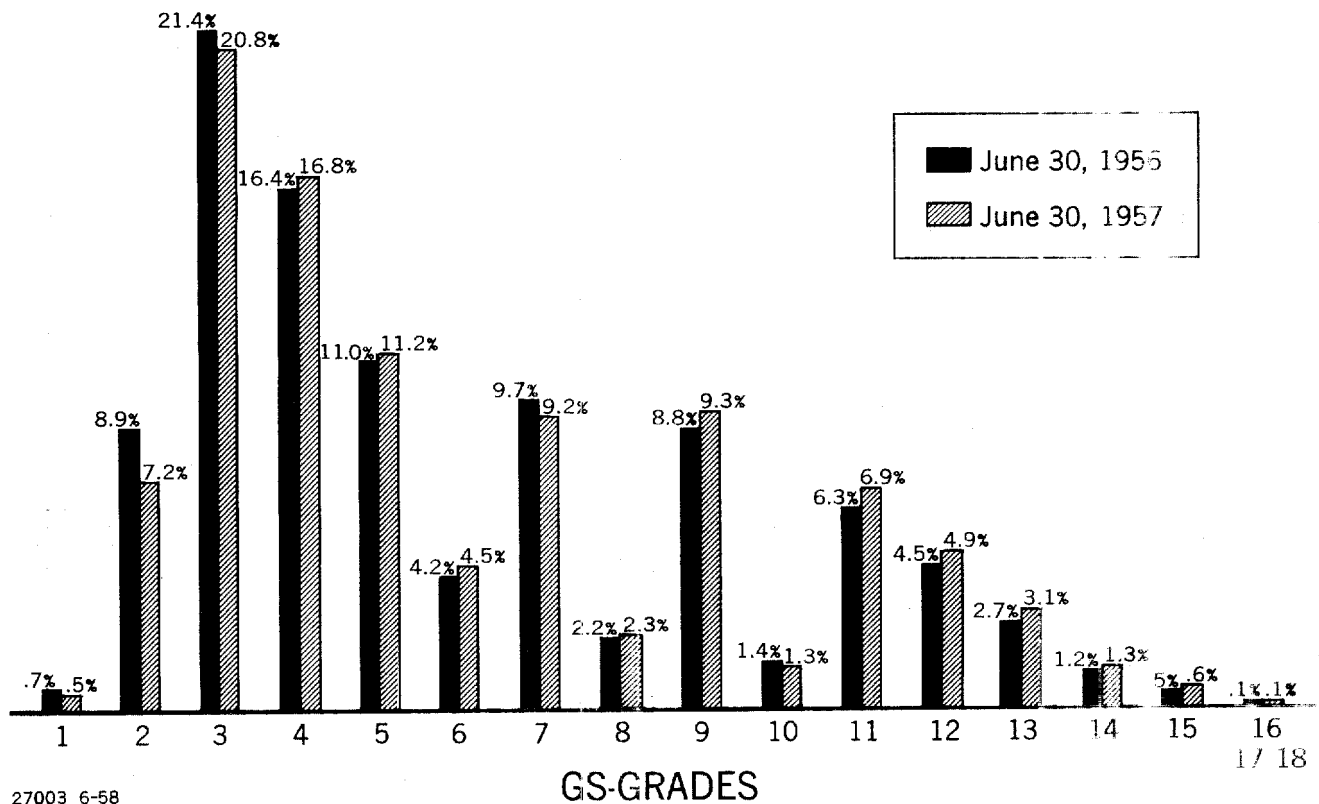
All dividends on accounts of 5,000 dollars and above will be paid directly to the shareholder, not credited to his account.

Maximum deposit per month will remain at 50 dollars per family.



GRADE DISTRIBUTION

The chart below provides a 1956-1957 comparison of the distribution, by percentages, of full-time employees in GS grades. (NOTE: The 1956 percentages were printed in Support Bulletin 4, May-June 1957.) These percentages are Governmentwide but do not include employees outside the continental limits of our country.



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